

28 JAN 1977

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MEMORANDUM FOR: Acting Director of Central Intelligence

FROM

[REDACTED]

USN

Deputy to the DCI for the Intelligence Community

SUBJECT: Administrative Support

1. The Conference Committee Report, H.R. 14262, Department of Defense 1977 Appropriation, under Title VIII, "Related Agency Intelligence Community Oversight" (see Tab A), established a separate appropriation for Intelligence Community oversight. This appropriation specifically was for the Intelligence Community Staff and reflected the sense of the Congress that the Intelligence Community Staff should have policy independence from other agencies. You are, I know, familiar with this issue.

2. Since that appropriation act was passed, there have been developments which have more clearly specified the intent of the Congress. Whereas the original Conference Committee Report stated that administrative services performed for the Intelligence Community Staff should be subject to reimbursement from that Staff, we now have a better understanding of the true intent of the Congress. I cite for you several examples:

a. The Congressional Record for the Senate of 13 September 1976 (see Tab B) shows the following dialogue between Senators Huddleston and McClellan:

"Senator Huddleston: The conference committee report states:

"Any such administrative services must be funded from the Intelligence Community oversight appropriation through transfers or other appropriate devices."

"Does this mean that the intelligence community staff may not receive assistance either in ad hoc personal services or incidental assistance, either personal or otherwise, from other Government organizations without paying for those services?"

"Senator McClellan: No... It was further recognized that incidental services such as classified trash collection, shuttle bus service, and assistance provided by community organizations as a 'service of common concern' could be made available to the IC staff without reimbursement... What we have in mind is to insure that the IC staff has sufficient independent resources to stand on its own two feet. This objective can be realized without going to extremes such as requiring reimbursement for each and every item or service rendered where it is clearly reasonable and most efficient that the staff avail itself of services readily available elsewhere."

b. Director Bush by correspondence of 15 September 1976 (see Tab C) also raised the issue of the true intent of the Congress in correspondence to both Congressman Mahon and Senator McClellan. In response the following language is quoted from Senator McClellan's letter of 15 September 1976 (see Tab D):

"The Committee appreciates the nature of the Intelligence Community Staff and operations and the composition and function of the National Foreign Intelligence Board and understands that personnel support and assistance of a wide variety from intelligence community organizations will be required for which reimbursement need not be provided."

Further, in response from Congressman Mahon, we note the following language (see Tab E):

"In your letter you point out that in normal day to day business, it is customary for government agencies to receive some kinds of minor assistance from other government agencies without reimbursement therefor. The guidelines for the financial operation of the Intelligence Community Staff should be those guidelines followed by other independent government organizations. Certainly, the Committee does not wish to impose undue administrative hardships or to indulge in minutia."

STATINTL

Tabs A thru E as
stated above

Acting Director of Central Intelligence

Date _____